

H4 Consulting Brief

Business Case

A business case presents an argument for a proposal, relative to other options. In publicly funded organisations, this is not just about dollars, but also includes public policy benefits and costs that may accrue across communities and be difficult to quantify. Business cases are robust analytic tools to inform good decisions about public investment, not just sales pitches for worthy ideas, or implementation approaches for decisions that have already been made.

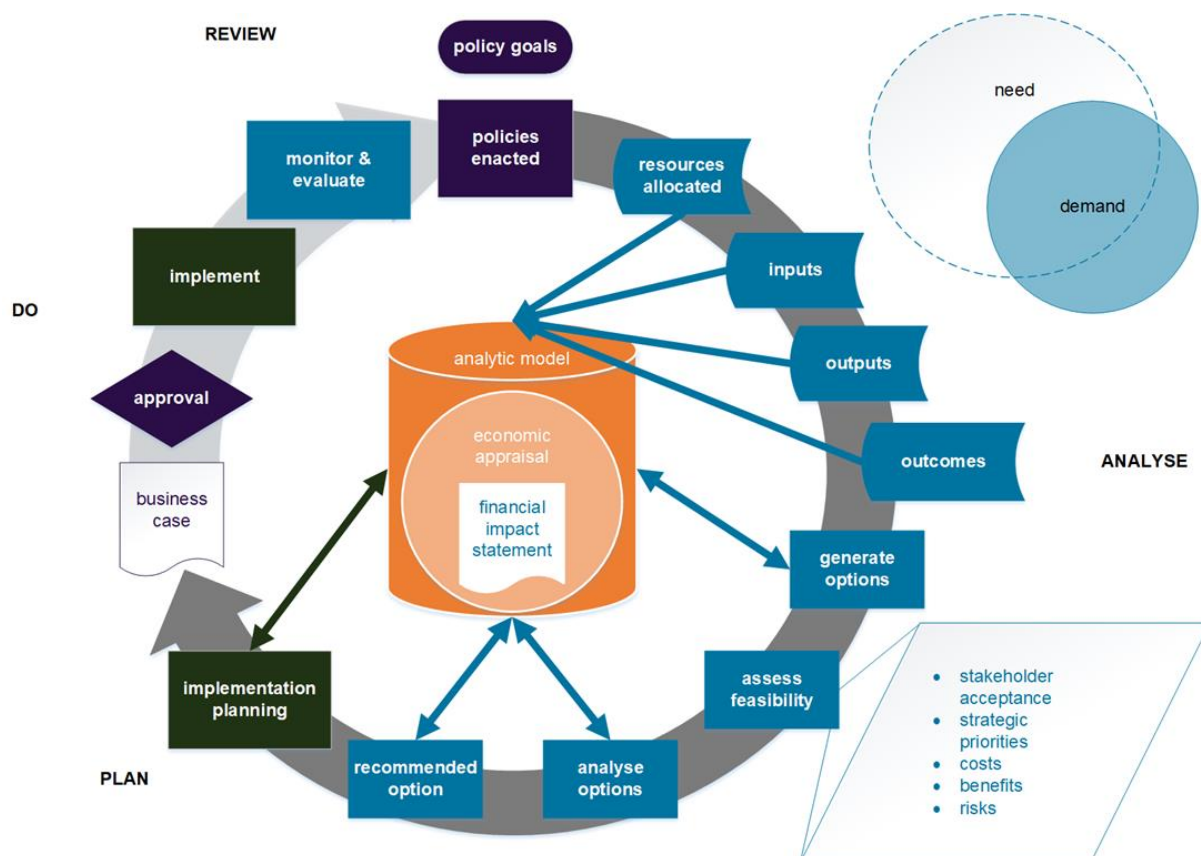
Public investment decisions, particularly those related to social policy, are difficult and highly contested. In part, this reflects legitimate concern for the proper allocation of finite public resources.

The complexity of social policy investment decisions is also compounded by:

- difficulty comparing different types of investment, like healthcare, education, and public transport
- the lack of a robust evidence base for what really works in many social policy areas.

Most people in publicly funded organisations believe that greater investment is required to achieve the policy goals they are working toward. Social policy business cases often argue for ‘the best’ approach to something like literacy, or homelessness, or mental illness.

Arguments about what is best within a domain may be valid, but they lack context, and therefore offer little help to decision makers trying to assess relative merit. Business cases are more useful if they are expressed in a common currency that facilitates comparison.



The business case process starts from public policy goals. Closing the gap between those goals and current outcomes is the core objective of any business case, and the options presented are alternative ways of closing that gap.

Current investment, effort, performance, and trends all inform an analytic model that projects the current state into the future. Costs and benefits—to governments, individuals, businesses, and the community—are quantified based on the best available evidence.

This ‘base case’ is a projection of what will happen if policy settings do not change. The benefits of proposed policy options are then quantified and assessed by comparing implementation costs with how well each option would address the policy goal.

Although estimates are never perfect, these business cases are more than just an argument that one proposal is inherently worthy, or that it’s the best option for a specific goal. They are a tool to inform decisions between many different worthy proposals.

To find out more about how you can use this approach in your organisation, contact us: info@h4consulting.com.au
Find additional resources at www.h4consulting.com.au/resources